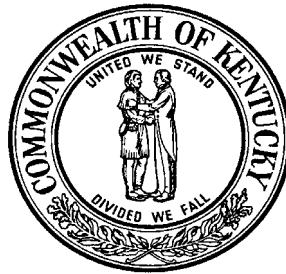


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
CARTER COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004
Through June 30, 2005**



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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

Robbie Rudolph, Secretary, Finance and Administration Cabinet
The Honorable Charles Kiser, Jr.
Carter County Property Valuation Administrator
Grayson, Kentucky 41143

We have performed the procedures enumerated below, which were agreed to by the Carter County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2004 through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Carter County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month.

Finding -

The PVA does not maintain a receipts or disbursements ledger.

PVA's Response -

I feel check register is adequate.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts agreed to payment amounts confirmed from city governments. The list of city receipts appeared complete.



Robbie Rudolph, Secretary, Finance and Administration Cabinet
The Honorable Charles Kiser, Jr.
Carter County Property Valuation Administrator
(Continued)

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Revenue Cabinet. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The budgeted statutory contribution by the fiscal court agreed to the legally required amounts calculated by the Revenue Cabinet. Payments from the fiscal court's statutory contribution budget account trace to the PVA's local bank account.

4. Procedure -

Select a sample of disbursements from available PVA's records and agree amounts to cancelled checks, paid invoices, or other supporting documentation. Determine if the expenditure is for official business.

Finding -

The PVA made payments to a related party. The PVA's son is paid \$150 on a monthly basis to provide computer maintenance services. There is no signed contract and the Revenue Cabinet has not authorized the services provided.

PVA's Response -

This service is in my budget, services are provided on a monthly basis.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets.

Finding -

Capital outlay disbursements agreed with cancelled checks and supporting documentation. Proper purchasing procedures were followed. Newly acquired assets were observed.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

Cost schedules compared favorably to actual payments.

Robbie Rudolph, Secretary, Finance and Administration Cabinet
The Honorable Charles Kiser, Jr.
Carter County Property Valuation Administrator
(Continued)

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
September 16, 2005